

PROGRAM & BUDGET REVIEW PROCESS

TALKING POINTS

- THIS AGENDA ITEM IS ONE WE HAVE CONSIDERED A NUMBER OF TIMES IN THE PAST.
- 25X1 - AT OUR LAST MEETING WE ASKED [] TO TAKE HOLD OF THIS ISSUE AND ATTEMPT TO RESOLVE ANY REMAINING PROBLEMS.
- 25X1 - AS A RESULT OF [] EFFORTS, WE HAVE BEFORE US A CFI DIRECTIVE FOR APPROVAL, WHICH LAYS OUT THE PROCESS AND TIMETABLE BY WHICH WE WILL UNDERTAKE TO MEET OUR RESOURCE RESPONSIBILITIES AS OUTLINED IN THE EXECUTIVE ORDER.
- I UNDERSTAND THERE IS BASIC AGREEMENT WITHIN THE COMMUNITY, AND WITH OMB, ON THE PROCESS AS OUTLINED IN THIS DIRECTIVE.
- THEREFORE, UNLESS SOMEONE WISHES TO COMMENT FURTHER, I SUGGEST WE APPROVE THE DIRECTIVE, AND MOVE ON TO THE NEXT AGENDA ITEM.

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DCI TALKING POINTS

CFI BUDGETARY & RESOURCE CONTROL

- BEFORE GETTING INTO DISCUSSION, I WOULD LIKE TO FOCUS ON SOME OF WHAT I THINK ARE THE KEY ISSUES.
- THE INTENT OF THE EO SEEMS CLEAR--THIS COMMITTEE MUST FIRMLY GRAB HOLD OF THE COMMUNITY'S RESOURCES--EXERT RESOURCE CONTROL.
- TO DO THIS WE NEED TO:
 - BE ABLE TO ISSUE CLEAR GUIDANCE;
 - DEAL DIRECTLY WITH PROGRAM MANAGERS [REDACTED] BOBBY INMAN, AND WHOEVER IS CHOSEN TO MANAGE GDIP AND CIAP ON A DAY-TO-DAY BASIS); AND
 - INSURE CLOSE COOPERATION BETWEEN THE VARIOUS STAFFS TO SUPPORT US IN OUR DELIBERATIONS WHILE, AT THE SAME TIME, NOT GIVING OVER TO THE STAFFS THE DECISION-MAKING RESPONSIBILITY.
- A RELATED ISSUE, AND ONE I THINK WE CAN ALL AGREE ON IS--HOW DO WE INTERFACE WITH OMB IN OUR RESOURCE PROCESS? THAT IS--WHAT SHOULD OMB'S ROLE BE, GIVEN THAT THE PRESIDENT CREATED A CFI TO DEAL WITH INTELLIGENCE RESOURCES?

25X1

[REDACTED]

25X1

- BUT, I BELIEVE OUR EFFORTS CANNOT STOP THERE. WE ALSO HAVE TO PROVIDE FOR SOME MEANS OF REGULAR PROGRAM AND BUDGET REVIEW AND APPROVAL.
- I SUGGEST WE ADDRESS OURSELVES TO THESE POINTS INITIALLY. ONCE THEY'VE BEEN RESOLVED, WE CAN LOOK AT THE OPTIONS AND SEE HOW WELL EACH FITS OUR CONCLUSIONS.

COMMITTEE ON FOREIGN INTELLIGENCE

DIRECTIVE NO.

I. Purpose

The purpose of this Directive is to establish the process by which the Committee on Foreign Intelligence (CFI) will control budget preparation and resource allocation for the National Foreign Intelligence Program (NFIP) pursuant to Executive Order 11905, dated 18 February 1976.

II. The Process

The CFI will issue program and resource guidance; review and approve program and budget proposals; and provide an annual National Foreign Intelligence Program budget to the President in accordance with an annual cycle which involves direct interaction between the CFI and individual program managers. The process is designed to interface to the extent possible with existing program and budget procedures of the individual departments and agencies, providing decisions for incorporation, as appropriate, into their internal management decision documents.

The Deputy to the DCI for the Intelligence Community will manage the process. The CFI Staff, under the direction of the D/DCI/IC, will work jointly with OMB, program managers, and staffs throughout the year to implement the process.

III. The Annual Schedule

The major milestones in the annual process shall be as outlined below; the Deputy to the DCI for the Intelligence Community will publish a detailed program activity and review schedule each year which sets forth specific milestones and key decision dates:

- Early January. CFI issues program and resource guidance.
- Early June. Program managers submit program proposals and major issues to CFI.
- Mid-June/Mid-July. CFI reviews programs with individual program managers; overall NFIP presented by D/DCI/IC.
- Late July. CFI issues Program Decisions for inclusion in NFIP component internal decision documents.
- Early October. Program managers submit budget estimates to CFI and OMB.
- October/November. Joint OMB/ICS/Program staff budget hearings. Program budget decision documents jointly drafted and presented to CFI.
- Early November. CFI issues program budget decisions for inclusion in NFIP component internal decision documents; NFIP budget submitted to the President.
- Mid-November. Joint CFI/OMB negotiations on issues to be taken to the President; issue papers jointly drafted.

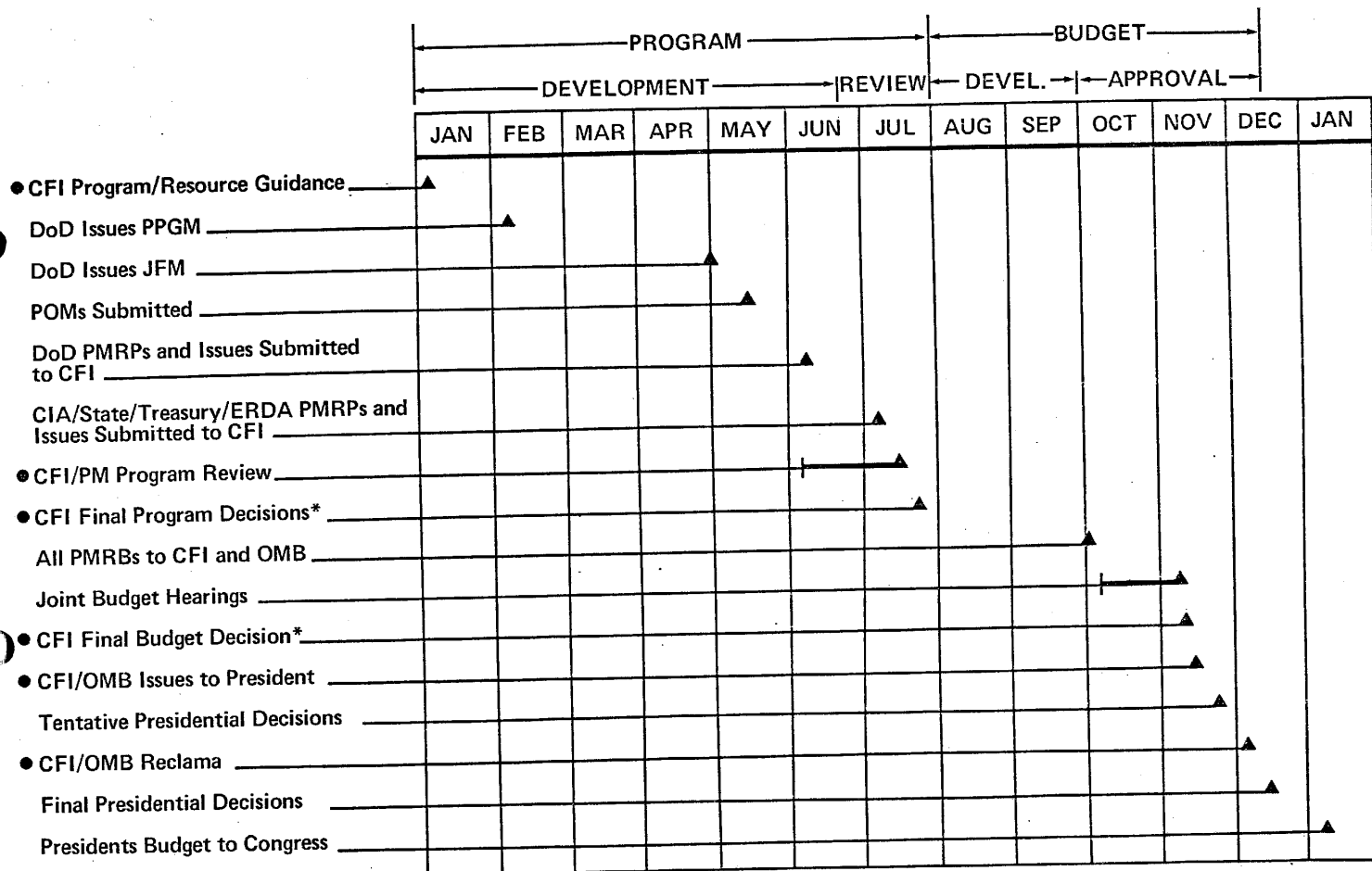
- Late November. Tentative Presidential decisions transmitted to CFI.
- Early December. Joint OMB/CFI issue papers on appealed decisions to the President.
- Mid-December. Final Presidential decisions.
- Early January. President's budget to Congress.

IV. Effective Date

This directive is effective upon publication.

George Bush
Chairman

CFI PROGRAMMING-BUDGETING CYCLE



* Maintains the integrity of existing decision processes.

Major points of CFI involvement.